

## TABLE OF CONTENTS

|   |   |
|---|---|
| SECTION 7, COSTS .....  | 1 |
| 7.1. NETWORK SERVICES COSTS.....                              | 1 |
| 7.2. CALL CENTER SERVICES COSTS.....                          | 2 |
| 7.3. NETWORK MANAGEMENT SERVICES COSTS.....                   | 6 |
| Exhibit 7A, Network Services Price Quotation .....            | 6 |
| Exhibit 7B, Call Center Services Price Quotation .....        | 7 |
| Exhibit 7C, Network Management Services Price Quotation ..... | 8 |

## SECTION 7 COSTS

### 7.1. NETWORK SERVICES COSTS

Network Services (NS) bidders shall bid a rate for toll-free (e.g., 800 number) services that meet all of the NS requirements of this RFP and associated contract. The rate quoted shall be inclusive of all costs necessary to deliver CRS Network Services to the mandatory standards defined in this RFP, to meet all NS contract terms and conditions, and to provide all of the bidder's proposed services in response to all NS mandatory standards and desirable standards including carrying all outbound relay calls (intra-LATA, inter-LATA, interstate and International calls) that are handed off to the NS provider from the Call Center Services providers. The NS provider shall be able to bill callers for completed relay calls when the outbound call is carried by the NS provider and when the call is greater than forty miles between parties as described in RFP Section 6.2.1.(7.)

A discount rate to be applied to orders placed by the DDTP for providing mandatory-optional network service standards shall be separately listed.

The NS per minute reimbursement rate from the DDTP shall be for completed inbound calls placed to the DDTP's toll-free numbers or calls placed to 711 and forwarded to a DDTP toll-free number, with the duration of each call calculated to the nearest second or to the nearest hundredth of a minute. A completed inbound call is a call directly placed by a CRS user, received by the NS provider's network, and delivered to a CRS CCS provider. The DDTP shall not pay for calls abandoned prior to delivery or unable to be delivered due to network congestion or failure. Any costs to the NS provider to ensure compatibility of their network with the NMS provider hardware and software shall be borne by the NS provider and shall not be directly reimbursed by the DDTP. Any costs to the NS provider to accept, carry, and deliver outbound relay calls assigned to it by CCS providers shall also be borne by the NS provider and shall not be directly reimbursed by the DDTP. Any costs to the NS provider to account for, report and/or bill for any traffic carried shall also be borne by the NS provider and shall not be directly reimbursed by the DDTP. The DDTP shall also not pay the NS provider for CRS calls placed over non-DDTP toll-free numbers, such as CRS calls placed to awarded CCS providers' toll-free numbers assigned to the NS provider. The awarded NS provider is required to extend to each awarded CRS CCS provider the same per minute rate that the NS provider bid to the DDTP in response to this RFP. This extended rate offering shall be for all CRS calls placed to the CCS provider's own toll-free numbers that are assigned to the NS provider by separate agreement with the CCS provider.

The DDTP will not pay the NS provider any lump sum or other start-up expenses for services, nor for any expenses incurred in the preparation of a bid proposal, even though the NS provider shall be obligated to begin some aspects of performance immediately after contract award and before in-service/cutover, including but not necessarily limited to coordination with the DDTP and CCS and NMS providers, implementation of all services, and reporting necessary to ensure that full NS services shall be ready by the required in-service cutover date. The DDTP will also not pay the NS provider any lump sum or other expenses for close-down or termination costs at the time the provider ceases to provide service under the its contract. The DDTP shall also not pay for any CRS services reimbursed by NECA.

Each month the NS provider shall submit its invoice for calls carried during the previous month per the requirements of RFP Sections 6.2.5.(1.) and 6.2.5.(2.) with payment made per the terms of the contract.

NS bidders shall use Exhibit 7A to indicate their per minute bid rate and discount percentage rate. These bid rates shall be firm for the duration of the contracted services. Note that actual bid rates shall not be submitted to the DDTP prior to submission of the final bid. In any submission or correspondence prior to the final proposal, bidders shall insert XXXs into Exhibit 7A.

All prices and discounts submitted in Exhibit 7A shall be binding on the bidders and are not negotiable. Any pricing proposal that is incomplete or contains significant inconsistencies or inaccuracies may be rejected. No deviations, qualifications, or counter offers will be accepted. Only one bidder may be awarded a contract with the DDTP for Network Services. The DDTP reserves the right to reject any and all bids.

## **7.2. CALL CENTER SERVICES COSTS**

Prices in response to this RFP from Call Center Services (CCS) bidders and ultimate reimbursement to the CCS providers shall be based on prices per conversation minute. A conversation minute shall include the time the calling party is connected to the called party or to an answering machine at the called party's number. A conversation minute does not include time in queue (call is ringing, waiting for a live answer), set-up of the inbound call by the CCS provider, set-up of the outbound call by the CCS provider, call wrap-up, time spent explaining relay or relay procedures, or calls that reach numbers that are busy or receive no answer or receive intercept messages for the called number. Conversation minutes shall not be separately invoiced for the inbound and outbound portions of a relayed call, but shall only be calculated and invoiced for the time that relayed conversation takes place. Conversation minutes shall be the same as minutes recorded for caller billing purposes. Conversation minutes shall be calculated to the nearest second or

to the hundredth of a minute on every call. If there are discrepancies between the DDTP's definition of a conversation minute, and NECA's definition, the DDTP's definition as established herein shall pertain for all reimbursements made by the DDTP.

Each month, each CCS provider shall submit its invoice for the actual number of total CRS conversation minutes relayed during the previous month per the requirements of RFP Section 6.3.42 with payment made per the terms of the contract. There shall be only two applicable conversation minute DDTP reimbursement rates. One rate shall be for all types of CRS relay calls allowed under this RFP and contract that do not involve Video Relay Service (VRS), and the second rate shall be for all CRS relay calls that involve VRS as allowed under this RFP and contract. Invoices to the DDTP shall separately show all traffic and invoiced amounts to be 1) reimbursed by the DDTP and 2) as invoiced to NECA. Rates bid shall be evaluated as specified in RFP Section 9.

For all types of relay calls that do not involve Video Relay Service (VRS), bidders may bid a reimbursement rate shown as a percentage rather than as a dollar figure, e.g., 88.00%, etcetera. The percentage bid shall be a percentage of the TRS TTY reimbursement rate established by NECA and approved by the FCC. When NECA TRS TTY rate changes become effective the reimbursement rate from the DDTP shall also change accordingly. Thus, the DDTP's reimbursement rate to CCS vendors shall change whenever the NECA rate changes. Notwithstanding the above, only for purposes of reimbursement by the DDTP for non-VRS calls, the NECA rate for TTY TRS calls shall not be allowed to fall below that in effect at the time of the Final Proposal due date (see RFP Section 1.7., item # 17.) Bidders shall bid a percentage of the NECA rate, as indicated on Exhibit 7B, not to exceed ninety-five percent (95.00%) of the NECA rate. For example, if the NECA TRS TTY reimbursement rate effective at some time under this service contract is \$1.5500 per conversation minute, and a CCS vendor had bid 88.00% of the NECA rate, the DDTP's reimbursement rate to that CCS vendor for applicable calls relayed at that same time under this service contract shall be 88.00% of \$1.5500, or \$1.3640 per conversation minute. As another example, if a CCS vendor bids the maximum allowable 95.00% of the NECA rate, and the NECA rate for the time in question is \$1.6500 per conversation minute, the DDTP's reimbursement shall be 95.00% of \$1.6500, or \$1.5675 per conversation minute. Percentages bid that are greater than ninety-five percent (95.00%) shall not be allowed.<sup>1</sup>

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<sup>1</sup> It is understood that the NECA rate for TRS TTY reimbursement is not an exact match for CCS non-VRS relay services. For example, the NECA TRS TTY rate may include Network Services (NS) while excluding Speech-to-Speech services. Nevertheless, for the purpose of reimbursement by the DDTP for all non-VRS calls, as described herein, a percentage of the NECA rate in effect at the time

For all relay calls that involve VRS, the reimbursement rate shall be the current entire (100.00%) per minute conversation rate for VRS established by NECA and approved by the FCC. When the approved NECA VRS rate changes, the VRS rate under this contract shall likewise change. If the FCC orders NECA to no longer reimburse TRS vendors for a portion of their FCC compliant CRS VRS calls, e.g., intra-California VRS calls, portions of 800 number and 900 number VRS traffic, or for some other portion of the VRS traffic allocable to the CRS, the DDTP reimbursement rate for such non-NECA reimbursable VRS calls will be the same as the current FCC approved NECA rate for inter-state VRS calls.

CCS providers shall invoice NECA directly for the following types of CRS calls, whether or not the provider has met all FCC requirements for NECA reimbursement, and whether or not the CCS provider is actually reimbursed by NECA: 1.) all Interstate CRS calls; 2.) all International CRS calls; 3.) the FCC approved percentage of toll-free and 900 number CRS calls; 4.) the FCC approved percentage and/or type of VRS CRS calls<sup>2</sup>; 5.) the FCC approved percentage and/or type of WCR CRS calls<sup>3</sup>; and 6.) the FCC approved percentage and/or type of VoIP CRS calls,<sup>4</sup> and any other form of relay call potentially reimbursable by NECA. Note that the FCC may change its reimbursement TRS rules at any time during the term of the vendor's services to the DDTP. Those portions of CRS calls not invoiced to NECA will be reimbursed by the DDTP at the DDTP's contracted rates established with each CCS provider.

Each bidder's per minute reimbursement rates quoted shall be inclusive of all costs necessary to deliver CRS Call Center Services to the mandatory standards and offered desirable standards defined in this RFP, to meet all CCS contract terms and conditions, and to provide all of the bidder's proposed services in response to all CCS mandatory standards and desirable standards. Rates or cost formulas, e.g., discounts off of tariffed rates, for providing mandatory-optional CCS standards shall be separately listed. Any costs to the CCS providers to ensure compatibility of their services with the NMS provider hardware and software shall be borne by the CCS provider and shall not be directly reimbursed by the DDTP. The CCS Provider shall pay for all costs associated with inbound CRS calls placed to the CCS Provider's own dedicated toll-free numbers; the DDTP shall not pay for such traffic. The CCS Provider shall also directly pay for all additional costs associated with the inbound CRS traffic placed to the CCS Provider's own dedicated toll-free numbers

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of CRS service shall be used as the basis for DDTP reimbursement (except that the NECA basis will not fall below that in effect at the time Final Proposals are due.)

<sup>2</sup> The FCC has approved NECA reimbursement for all types of VRS calls.

<sup>3</sup> The FCC has approved NECA reimbursement rates for WCR calls.

<sup>4</sup> The FCC is in the process of considering and/or determining NECA reimbursement rates for VoIP calls.

that are not assigned to the DDTP's awarded NMS provider. The DDTP shall not pay for such costs. Such costs include but are not necessarily limited to all necessary circuit costs and the costs of the NMS Provider and of the selected inbound carrier required to enable the NMS Provider to respond to route requests and to send routing instructions.

The DDTP will not pay the CCS providers any lump sum or other start-up expenses for services, nor for any expenses incurred in the preparation of a bid proposal, even though the CCS provider shall be obligated to begin some aspects of performance immediately after contract award and before in-service/cutover, including but not necessarily limited to implementation, coordination and reporting necessary to ensure that full CCS services shall be ready by the required in-service cutover date. The DDTP will also not pay the CCS provider any lump sum or other expenses for close-down or termination costs at the time the provider ceases to provide service under the its contract, except as provided for under Section 11, Exhibit 11B, paragraph 24, Termination for the Convenience of the DDTP. The DDTP shall also not pay for any CRS services reimbursed in whole or in part by NECA. For example, if NECA reimburses the CCS provider for interstate and international CRS TTY calls at a rate of \$1.60 per minute, and the CCS provider claims that its costs to provide interstate and international CRS TTY services as required under its contract with the DDTP are greater than \$1.60 per minute (for whatever reason, including the prospect that the required CRS services exceed the minimum service requirements imposed by the FCC), the DDTP shall not be obligated to make up the cost difference between NECA's reimbursement and the CCS vendor's claimed costs; yet the CCS provider shall remain obligated to provide interstate and international CRS service as required under its contract with the DDTP. Similarly, if a CCS provider shall submit claims to NECA for reimbursement and NECA denies reimbursement in whole or in part because of default or penalty (e.g., the CCS vendor did not meet all of the FCC's minimum requirements), the DDTP shall not be obligated to make up the cost difference between the CCS vendor's claimed reimbursement and the reimbursement actually received from NECA.

Note that actual bid rates, i.e., percentages and dollar figures, shall not be submitted to the DDTP prior to submission of the final bid. In any submission or correspondence prior to the final proposal, bidders shall insert XXXs into Exhibit 7B.

All percentages (and their resulting effective prices) submitted in Exhibit 7B shall be binding on the bidders and are not negotiable. Any pricing proposal that is incomplete or contains significant inconsistencies or inaccuracies may be rejected. No deviations, qualifications, or counter offers will be accepted. Up to four bidders may be awarded a contract with the DDTP for Call Center Services, with each

awarded CCS vendor potentially having different reimbursement rates for non-VRS calls. The DDTP reserves the right to reject any and all bids.

### **7.3. NETWORK MANAGEMENT SERVICES COSTS**

Network Management Services (NMS) bidders shall bid a monthly rate for services that meet all of the phase 1 NMS Mandatory and Desirable requirements of this RFP (Section 6.4.1.) and associated contract (Section 11, Exhibit 11C), with the exception of DDTP web site development, hosting and maintenance (Section 6.4.1.(1).(f.) Costs to meet the requirements of Section 6.4.1.(1).(f.) shall be separately priced. Costs to provide consumers with web access to enter, change or confirm their 711 database registration information shall not be included within the costs associated with Section 6.4.1.(1).(f.), but shall instead be included within the basic NMS monthly services. Costs to bid phase 2 (Section 6.4.2.) shall be bid separately from all phase 1 costs. Phase 2 shall be bid as a monthly reoccurring service cost, and as a one-time cost associated with each DDTP approved CCS CRS site for which phase 2 Mandatory and Desirable requirements are successfully implemented during the term of the NMS contract. All rates quoted shall be inclusive of all costs necessary to deliver CRS Network Management Services to the standards defined in this RFP, to meet all NMS contract terms and conditions, and to provide all of the bidder's proposed services in response to all NMS standards with the exception of the costs of the data circuits between the NMS site and the NS and CCS vendor sites, and to provide for services required for monitoring and routing of inbound CRS calls to CCS Providers' own toll-free numbers carried by a non-NS Provider carrier.

Any costs to the NMS provider to ensure compatibility of their NMS solution with NS and CCS provider hardware and software shall be borne by the NMS provider and shall not be directly reimbursed by the DDTP. The DDTP will not pay the NMS provider any lump sum or other start-up expenses for services, nor for any expenses incurred in the preparation of a bid proposal, even though the NMS provider shall be obligated to begin some aspects of performance immediately after contract award and before in-service/cutover, including but not necessarily limited to coordination, implementation and reporting necessary to ensure that full NMS services shall be ready by the required in-service cutover date. The DDTP will also not pay the NMS provider any lump sum or other expenses for close-down or termination costs at the time the provider ceases to provide service under the its contract, except as provided for under Section 11, Exhibit 11C, paragraph 24, Termination for the Convenience of the DDTP.

Each month the NMS provider shall submit its invoice for services performed during the previous month per the requirements of RFP Sections 6.4.7. with payment made per the terms of the contract.

NMS bidders shall use Exhibit 7C to indicate their monthly bid rate. For both phase 1 and phase 2, two monthly rates shall be bid: one monthly rate only for the first twelve months beginning with the in-service/cutover date, and the second monthly rate for each contracted month thereafter after the first rate ceases. Note that in each case the monthly bid rate proposed for the first twelve months of service shall not be greater than three times the monthly bid rate proposed for the remainder of the contracted services. A fixed fee one-time cost per CCS site as described above for phase 2 may also be bid. The proposed bid rates shall be firm for the duration of the contracted services with the exception that beginning with the second anniversary date of the implementation of service (in-service cutover date) and annually thereafter the NMS vendor may increase its monthly rate for phase 1 only by up to two percent (2.00%) of the previous year's rates. For bid evaluation purposes only, the duration of the contract from the in-service cutover date for phase 1 shall be assumed to be five years, the number of CCS sites shall be assumed to be nine, the number of web content update hours after final website acceptance and posting shall be assumed to be 96 hours per year, and the number of web design, coordination and development hours after final website acceptance shall be 200 hours per year. For bid evaluation purposes only, the duration of the phase 2 service shall be assumed to be four years, six months.

Note that actual bid rates shall not be submitted to the DDTP prior to submission of the final bid. In any submission or correspondence prior to the final proposal, bidders shall insert XXXs into Exhibit 7C.

All prices submitted in Exhibit 7C shall be binding on the bidder and are not negotiable. Any pricing proposal that is incomplete or contains significant inconsistencies or inaccuracies may be rejected. No deviations, qualifications, or counter offers will be accepted. Only one bidder may be awarded a contract with the DDTP for Network Management Services. The DDTP reserves the right to reject any and all bids.

**Exhibit 7A, Network Services Price Quotation**

**CALIFORNIA RELAY SERVICE  
NETWORK SERVICES PRICE QUOTATION**

**For all Mandatory and Desirable NS requirements, per RFP Section 7.1:**

Bidders are instructed to provide a figure to the fourth decimal place, as in \$X.XXXX per minute of inbound calls even if an X is replaced with a zero for all CRS network services mandatory requirements, i.e., all required CRS network services except those listed in RFP Section 6.2.2.(5.):

\$\_\_\_\_\_ per minute of inbound calls

**For all Mandatory-Optional requirements, per RFP Section 7.1:**

Bidders are instructed to provide a discount rate (percent off) to be applied to the bidder's filed tariffed rates otherwise available to the DDTP for mandatory-optional requirements specified in RFP Section 6.2.2.(5.):

\_\_\_\_\_ percent discount to be applied to tariffed rates

\_\_\_\_\_  
*NAME*

\_\_\_\_\_  
*TITLE*

\_\_\_\_\_  
*SIGNATURE*

\_\_\_\_\_  
*NAME OF COMPANY*

*DATE*

Exhibit 7B, Call Center Services Price Quotation

CALIFORNIA RELAY SERVICE  
CALL CENTER SERVICES PRICE QUOTATION

**For all Mandatory CCS requirements and offered Desirable CCS requirements with the exception of Video Relay Service, per RFP Section 7.2.** (The CRS contract rate for VRS shall be at the then current NECA rate, and reimbursement for VRS shall be from NECA per RFP Section 7.2.)

Bidders are instructed to bid a percentage of the FCC approved NECA TRS TTY per conversation minute reimbursement rate, shown as a percentage to the second decimal place, as in XX.XX percent of the NECA rate per relayed conversation minute even if an X shall be replaced with a zero. Note that maximum allowable percentage shall be 95.00%. The percentage bid and DDTP reimbursement shall be as allowed by RFP Section 7.2. and the Contract.

\_\_\_\_\_ percent of the NECA per conversation minute reimbursement  
rate

\_\_\_\_\_  
*NAME*

\_\_\_\_\_  
*TITLE*

\_\_\_\_\_  
*SIGNATURE*

\_\_\_\_\_  
*NAME OF COMPANY*

\_\_\_\_\_  
*DATE*

**Exhibit 7C, Network Management Services Price Quotation**  
Page 1 of 2

**CALIFORNIA RELAY SERVICE  
NETWORK MANAGEMENT SERVICES PRICE QUOTATION**

Bidders are instructed to provide figures to the second decimal place, as in \$XXX.XX per month even if an X shall be replaced with a zero. Note that the monthly bid rates proposed for the first twelve months of service shall not be greater than three times the monthly bid rate proposed for the remainder of the contracted service. For phase 1 only, the monthly bid rate for the thirteenth month and beyond shall be subject to a two percent (2.00%) annual escalation as stipulated in RFP Section 7.3.

**For all phase 1 NMS Mandatory and Desirable services except those specified in RFP Section 6.4.1.(1.)f.), per Section 7.3:**

\$\_\_\_\_\_ per month for the first twelve months

\$\_\_\_\_\_ per month for the remainder of the contract

**For phase 1 NMS Mandatory services specified in RFP Section 6.4.1.(1.)f.), per Section 7.3:**

\$\_\_\_\_\_ per month for the first twelve months

\$\_\_\_\_\_ per month for the remainder of the contract

For monthly content updates after final acceptance of the initial website development and posting:

\$\_\_\_\_\_ per hour

For web design, coordination and development after final acceptance of the initial major web development effort:

\$\_\_\_\_\_ per hour

**Exhibit 7C, Network Management Services Price Quotation**

Page 2 of 2

**For all phase 2 NMS services, per Section 7.3:**

\$\_\_\_\_\_ per month for the first twelve months

\$\_\_\_\_\_ per month for the remainder of the contract

The above phase 2 monthly service rates are in addition to the one-time reimbursement rate bid for all phase 2 NMS activities and services necessary to implement each CCS CRS site. This one-time rate shall be applied to each DDTP approved CCS CRS site successfully directly implemented.

\$\_\_\_\_\_ per DDTP approved CCS CRS site

\_\_\_\_\_  
*NAME*

\_\_\_\_\_  
*TITLE*

\_\_\_\_\_  
*SIGNATURE*

\_\_\_\_\_  
*NAME OF COMPANY*

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*DATE*